

Subject: Re: Questions for Dr. Zhang  
From: "Cunningham, Leo" <LCunningham@wsgr.com>  
Date: 7/5/19, 3:13 PM  
To: Brad Racino <bradracino@inewssource.org>

Hi Brad,  
I can confirm that Dr. Zhang resigned. For now, the reasons are between the doctor and the University.



Leo

Leo Cunningham  
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650 Page Mill Rd.  
Palo Alto, CA 94304  
650.320.4573

On Jul 5, 2019, at 12:32 PM, Brad Racino <[bradracino@inewssource.org](mailto:bradracino@inewssource.org)> wrote:

Mr. Cunningham,

The public relations department at UCSD just told me that Dr. Zhang has resigned. Is that your understanding as well?  
If so, why?

Thank you.

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Cunningham, Leo

July 2, 2019 at 10:36 PM

Mr. Racino,

Although you know this, since you asked, I am a lawyer with Wilson Sonsini Goodrich & Rosati, and my firm has worked with Dr. Kang Zhang over several years on a variety of matters, primarily related to the potential commercialization of health improving technologies he and his collaborators have developed.

The questions you posed to Dr. Zhang cause us concern that you may be writing an article that will, intentionally or not, perpetuate a xenophobic and racist misconception that there is something improper about American scholars who were born in China cooperating with researchers in China. There is not. To the contrary, and particularly when it comes to biomedical research with the potential to reduce suffering and improve the health of all of earth's inhabitants-- irrespective of political borders--such cooperation is proper and beneficial for all.

The University of California at San Diego ("UCSD" or the "University") recognized as much more than eight years ago when it entered into a memorandum of understanding with Sichuan University's affiliate, West China Hospital, to cooperate in connection with postgraduate training, academic exchange, and joint research projects. UCSD designated Dr. Zhang as the University's liaison to facilitate that interaction. Dr. Zhang's affiliations with other Chinese academic institutions were widely disclosed, and his advisory role at the Guangzhou Regenerative Medicine and Health Guangdong Laboratory was an extension of that inter-institutional relationship and required no formal disclosure.

Likewise, Dr. Zhang's part-time affiliation with the Thousand Talents program was widely publicized but actually required no formal disclosure to anyone. Your questions insinuate (again risking the perpetuation of a xenophobic and racist narrative) that the program was something nefarious and clandestine into which someone might be recruited as if it were a cult or spy ring. It was not--and was not perceived as such--by biomedical researchers like Dr. Zhang.

Dr. Zhang declined an offer to participate in the Thousand Talents program as a full-time member and never received payment from the Chinese government under the program. Although Dr. Zhang was never formally inducted into the Thousand Talents program, his *part-time* membership as a Class B member of the program was recognized as part of his relationship with West China Hospital,

affiliated with Sichuan University. And, as mentioned above, the relationship with these Chinese institutions was not only widely disclosed but also encouraged by UCSD. Any insinuation that it was hidden by “surface[ing] only” in Chinese would be misleading given that China has over 800 million internet users, more than 1.2 billion people speak Chinese, and--as you know--information about the program and any individual’s involvement was available to any American internet user. To be clear, Dr. Zhang was never asked to conceal his involvement with the Thousand Talents program; he never did conceal his involvement; there was nothing improper about his involvement; and he had no reason to conceal his involvement.

With respect to Dr. Zhang’s involvement with the various companies you mention, most if not all, have been long known to UCSD because they were counterparties on licensing agreements with the University. Additionally, decisions related to the corporate formation of these companies, including where to incorporate a given entity, were the result of consultation with professional advisors in order to take advantage of tax efficiencies, advantageous corporate formality rules, and/or low capital requirements. These are all widely recognized and legitimate business purposes, and where utilized, were not intended to conceal information or engage in anything improper. Moreover, one of the companies on which your questions seem to focus, Guangzhou KangRui Biological Pharmaceutical Technology (“KangRui”), was publicly traded in China, and detailed disclosures regarding, among others, the capitalization, ownership and holdings of the company--including Dr. Zhang’s equity interest in KangRui--were publicly disseminated.

With respect to Dr. Zang’s identification of affiliations and co-authors in publications, he complied with relevant guidelines. Dr. Kang’s affiliation with KangRui was not disclosed in the articles you referenced because his role in those publications was not in his capacity as a representative of KangRui. Of course, no secret was made of KangRui in those articles inasmuch as other authors’ relationships with the company were disclosed.

Similarly consistent with the guidelines, it was appropriate for Charlotte L. Zhang, Edward D. Zhang, and Jeffrey Rutgard to be listed as co-authors on the papers you cited because they had, in fact, contributed to the research for those articles while volunteering in Dr. Zhang's lab. (Note that the Jeffrey Rutgard listed is the child of another ophthalmologist with the same name who was involved in legal issues unrelated to his son; the two should not be confused.)

Dr. Zhang rented from Narendra J. Patel so lived in a residence owned by him, and Narendra Patel's daughter worked in Dr. Zhang's lab. Rui Hou is Dr. Zhang's wife. Yongtai Hou, no relation to Rui Hou, is a health care executive in China and may have had a role in a company affiliated with Dr. Zhang.

Dr. Zhang's China patents were known to UCSD, had no commercial value, were not based on research that was the subject of an NIH grant, and neither they, nor anything else he did, constituted a transfer of intellectual property to China.

Dr. Zhang has now discussed the disclosure expectations at length with various components of UCSD, and his present understanding of those expectations is different from his prior understanding, and his disclosures would be different going forward. However, even if he had disclosed the relationships you have identified, that should not have made any difference in the conduct of UCSD or the awarding of grants.

I believe that addresses your questions. Due to the holiday and family vacation, I am going to be unavailable until July 8, but I would be happy to pursue any issues you may have upon my return. And, given the complexities of these issues, I request the opportunity to review your article before it is published.

Thanks.

Leo

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**From:** Brad Racino [<mailto:bradracino@inewsource.org>]  
**Sent:** Friday, June 28, 2019 10:20 AM  
**To:** Cunningham, Leo  
**Cc:** Jill Castellano  
**Subject:** Questions for Dr. Zhang

Good morning Mr. Cunningham,

Please find our attached list of questions as we discussed last week. Our deadline for answers is **end of day Tuesday, July 2**.

Also, please confirm your role (Question 1) with the understanding that all of these emails and discussions are on the record.

Please confirm receipt of this email. My phone number is below if you have any questions or need clarification.

Thank you in advance for your help.

-Brad

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Brad Racino

June 28, 2019 at 10:20 AM

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-Brad

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